

DEFINITIONS

DOLLARS COLLECTED -- The actual dollars collected on a taxpayer's account prior to payment of contingency or administrative resolution fees. Adjustments to balances that are not actual payments generated or "non – commissionable dollars" (as described in detail in Attachment 1, Pricing Schedule), will not be included in the calculation of "dollars collected".

PLACEMENT EVALUATION BALANCE (PEB) -- The total contract to date dollar value of accounts placed with a contractor less accounts placed with a contractor in prior three months.

% DOLLARS COLLECTED -- Dollars Collected for the Performance Period / Placement Evaluation Balance

NET COLLECTIONS -- The actual dollars the Government realizes after all fees (paid and owing) have been subtracted from the amounts collected.

AVERAGE CURRENT INVENTORY BALANCE (ACIB) -- At the beginning of each month, the total dollar amount of debt that each contractor is responsible for collecting, as well as the number of debts that make up the amount is recorded. At the end of the performance period, the amounts recorded are then averaged to create the Average Current Inventory Balance (ACIB).

NET BACK RECOVERY PERCENTAGE (NBR%) -- The percentage of net collections (as defined above) each contractor has collected on debts during the performance period in relation to the contractor's PEB (as defined above); or $\text{Net Collections} / \text{PEB} = \text{NBR\%}$.

ADMINISTRATIVE RESOLUTIONS -- Debts the contractor resolves in accordance with the criteria in SOW, Section J.4.3.12. Credit for administrative resolutions must be granted in order to count toward the Administrative Resolution Percentage, Case Resolutions, or Case Resolution Percentage.

UNRESOLVED SERVICED ACCOUNTS (USA) – Accounts that have been serviced by the PCA which require return to the IRS and suspension of collection activity (e.g., hardship, incarceration, innocent spouse, disabled, fraud/forgery, legal defense) by the PCA as determined by IRS procedures. The complete list and definition of USA is contained in SOW, Section J.4.3.11.

MONETARY BONUS POOL – Amount of money available from the additional 2% of dollars collected during each performance period designated for monetary bonuses.

MONETARY BONUS -- An amount paid to eligible contractors from the Monetary Bonus Pool for a performance period.

PCA -- Private Collection Agency, or Contractor; these terms may be interchanged throughout the task order.

CASE RESOLUTION -- Cases that are permanently resolved. This includes Administrative resolutions, USAs and those cases paid in full.

CASE RESOLUTION PERCENTAGE (CR%) -- Total cases resolved during the performance period divided by Average Cases for the Performance Period.

INVENTORY ALLOCATION PERCENTAGE -- The percentage of cases to be placed with a contractor from the total volume of cases being assigned to the overall contractor group for the subsequent performance period.

TAXPAYER SATISFACTION % -- Measured by a random survey of taxpayers serviced by the contractor. Taxpayer Satisfaction % is determined by the total number of taxpayers responding satisfied, very satisfied or extremely satisfied divided by the total number of taxpayers that responded to the survey.

QUALITY SCORE % -- Measured by a random sample of telephone monitors and case activity reviews for activity performed by the contractor. The reviews will be performed and evaluated based upon quality standards set by the IRS.

PERFORMANCE STANDARD -- The level of performance expected for a contractor to meet performance expectations

WARNING LEVEL -- A level of performance that is sufficiently below the Performance Standard that a contractor is required to take corrective action and develop a management action plan (MAP).

TERMINATION LEVEL – A level of performance that requires the IRS to terminate the contract with the contractor based upon unacceptable performance on a critical performance measure. The Contracting Office and COTR can waive contract termination and permit the contractor to continue to perform under the contract provided an approved MAP is in place and progress is being made to correct the below standard performance. Under no circumstance will a contractor be permitted to continue servicing accounts under this task order if performance continues at termination level for more than three performance periods.

AVERAGE CASES – The sum of the total number of cases in a contractors inventory at the beginning of the each month of the Performance Period divided by the number of months for the performance period.

MANAGEMENT ACTION PLAN (MAP) – A written plan developed by the contractor, and accepted by the Contracting Officer and COTR, detailing action steps to address performance issues or areas of needed improvement. A MAP should include detailed action steps, individuals responsible for each step, dates activities will begin, date activities will be completed, and measures of success.